

COST CERTIFICATION WORKSHEET

Name of Borrower _____

1. To be used with "Seven Steps to Cost Certification."

2. PRELIMINARY ESTIMATES (PREAPPLICATION):

District Office (State Office, if applicable):

a. \$ _____ proposed project building cost.

☐ Unit costs compare favorably with historic unit costs.

b. Comments to State Office:

State Office:

c. Marshall & Swift building cost estimate for project _____

d. Comments to District Office: (evaluate D/O comments and add S/O comments)

District Office (State Office, if applicable):

e. The applicant was notified, in writing, of the following issues and concerns specific to cost:

(1) _____

(2) _____

(3) _____

3. FINAL 1924-13 ESTIMATES (APPLICATION):

District Office (State Office, if applicable):

- a. ☐ All discrepancies reported to the applicant have been satisfactorily corrected.
- ☐ Discrepancies still remaining _____
- b. Do all line items contain a cost figure corresponding to the materials expected to be used in project construction?
- ☐ Yes ☐ No If no, what line item costs are missing?
- _____
- _____
- c. ☐ Borrower's arithmetic has been recalculated.
- d. Percentages for profit, overhead, and requirements will be calculated as follows:

Proposed \$ Amount		Max % Allowed	
<u>Profit:</u>	Line 43	\$ _____ divided by	
Line 42 less line 40 =	\$ _____	= _____%	10%
<u>General Overhead:</u>	Line 40	\$ _____ divided by	
Line 42 less line 40	\$ _____	= _____%	4%
<u>General Requirements:</u>	Line 39	\$ _____ divided by	
Line 42 less Lines 39, 40, 41	\$ _____	= _____%	7%

- e. Contractor ☐ is ☐ is not qualified to build project.

f. Comments to State Office: _____

State Office:

- g. Line item costs of proposed project:
- ☐ Deviate from historic line item costs by an acceptable level.
- ☐ Costs appear excessive compared with historic line item costs for the following line items:
- _____
- _____
- _____
- h. Construction contract price: _____.
- Final construction cost estimate: _____.
- i. Time span between preapplication and application _____
- \$ _____ Marshall & Swift estimate (if more than 1 year between preapplication and application).
- j. Have final cost estimates (1924-13's) been received from all identities of interest? ☐ Yes ☐ No

5. CHANGE ORDERS:**District Office (State Office, if applicable):**

Answer the following questions for EACH Contract change order: (Y/N)

	1	2	3	4	5	6	7	8
a. Has all arithmetic been verified to be accurate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Is the change justified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Does the change involve a subcontractor or supplier with an identity of interest with the borrower?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Is the cost of the change broken down between hard and soft costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. If change increases contract sum, has borrower provided additional funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. COST CERTIFICATION DOCUMENT:**District and/or State Office:**

- a. ☐ Borrower's arithmetic has been recalculated.
- b. ☐ Certified line item costs have been compared with estimated line item costs.

Are certified line item hard costs 15% more or less than estimated? If yes, in which line items? Note if documentation was provided for the variation? (Y/N)

	Doc.		Doc.		Doc.
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

- c. If total hard costs exceed the estimated amount, was total contract amount increased? ☐ Yes ☐ No
- If contract amount was not increased, has profit been reduced to offset the increase in costs? ☐ Yes ☐ No
- If contract amount was increased, what was the source of additional funds _____
- d. If total hard costs are decreased, has profit or overhead been increased? ☐ Yes ☐ No
- e. If overhead or general requirements exceed their estimates, has profit been reduced to offset the increase?
- ☐ Yes ☐ No

- f. If profit has been decreased because of overruns in hard costs and soft costs are lower than anticipated, has profit been increased to bring it back to the original estimates? ☐ Yes ☐ No

- g. Percentages for profit, overhead, and requirements.

	Final Estimates	Actual
Profit	\$ _____	\$ _____
Overhead	\$ _____	\$ _____
Requirements	\$ _____	\$ _____

- h. Are all line items relating to General Requirements and General Overhead recorded under the proper category?

☐ Yes ☐ No

Misclassified: _____

- i. Enter all construction line items where the certified costs were lower than the accumulated payments.

Line Item No.	Accumulated Payments	Certified Cost
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

- j. All discrepancies between accumulated payments and certified costs have been resolved ☐ Yes ☐ No

How _____

- k. ☐ GAGAS requirements were included in certification.

- l. ☐ Person doing cost certification is qualified.

_____ Name of CPA firm.

- m. ☐ Costs involving all identities of interest were certified.

- n. ☐ More than 50% of contract sum was subcontracted to one subcontractor, material supplier, or equipment lessor.

- ☐ 75% or more contract was subcontracted to three or fewer subcontractors, material suppliers, or equipment lessors.

If yes to either of above, was contractor or owner-builder paid a profit and/or overhead ☐ Yes ☐ No

- o. Certification was performed under Government contract. ☐ Yes ☐ No

- p. Did CPA or borrower disclose any rebates or discounts. ☐ Yes ☐ No

If yes, in which line items:

- q. Did the CPA issue an unqualified opinion? ☐ Yes ☐ No

7. FINAL PAYMENT TO CONTRACTOR

District Office (State Office, if applicable):

- a. ☐ Borrower's arithmetic has been recalculated.
- b. ☐ Evidence that project architect concurs with final pay request?
- c. Is all construction work completed? ☐ Yes ☐ No

If not, what work remains? _____

How much is being retained from contractor for this work? \$

- d. Have releases of claimants or other similar protection from liens been obtained? ☐ Yes ☐ No
- e. ☐ All work is complete and final payment to contractor is approved.